

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
August 17, 2015**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on August 17, 2015.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Springhorn and Wickstrom.

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the August 17, 2015 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The Shoreview Walking Club is inviting friends to walk in the park. There was a great turnout to the kickoff meeting last week. The first walks will be Tuesday, August 25, 2015, at 10:00 a.m. and 6:00 p.m. Those two groups will meet at the Community Center. Two more groups will meet Thursday, August 27, 2015, at 10:00 a.m. and 6:00 p.m. and also leave from the Community Center.

After September 1, 2015, Mayor Martin announced that she will again hold her Tuesday office hours from 3:00 to 5:00 p.m. in the Council Chambers.

Welcome to Ally Financial, a new company in Shoreview. Ally Financial is investing in the building at 4000 Lexington Avenue, a building that has been empty for a number of years. Approximately 150 employees will be brought in. By 2017, Ally Financial anticipates bringing in another 200 employees.

Congratulations to Public Works staff on a state grant received. Shoreview was one of 152 applicants and was selected in a very competitive process. The grant award of \$54,000 will be used for a pilot project on water consumption and conservation methods.

Councilmember Johnson:

On Tuesday, August 18, 2015, the Ramsey County Sheriff's Department is sponsoring *Coffee with a Cop* at Caribou in North Oaks. This is an opportunity to talk about issues in the community and build relationships.

Nominations are being accepted for the *Citizen of the Year* award. Applications are available on the City website. The deadline is August 31, 2015.

Councilmember Quigley:

Commented that the crackfilling and resurfacing of streets has been exceptionally efficient this year.

Councilmember Wickstrom:

The Farmers' Market has a great selection of produce every Tuesday afternoon from 3:00 to 7:00 p.m.

The last Concert in the Commons will be Wednesday, August 19, 2015, at 7:00 p.m. The singer will be Jana Anderson.

Councilmember Springhorn:

The Friday Night Flix movie this week will be *The Lego Movie*. The movie starts at dusk, about 8:15 or 8:30 p.m.

A reminder to pedestrian, bikers and drivers that September 8, 2015 is the first day of school. All are urged to be careful.

CONSENT AGENDA

MOTION: by Councilmember Johnson, seconded by Councilmember Quigley to adopt the Consent Agenda for August 17, 2015, and all relevant resolutions for item Nos. 1, through 16:

1. August 3, 2015 City Council Minutes
2. August 3, City Council Workshop Minutes
3. Receipt of Committee/Commission Minutes
 - Economic Development Commission, July 21, 2015
 - Bikeways and Trails Committee, August 6, 2015

4. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation
5. Verified Claims in the Amount of \$1,648,009.38
6. Purchases
7. License Applications
8. Amendment to Agreements with Canadian Pacific Railroad
9. Minor Subdivision - Tollberg Homes, 5845 Buffalo Lane
10. Resolution Authorizing the Use of a New Voting System
11. Establish Project and Order Feasibility Study--Virginia/Dennison/Lilac Reconstruction, CP 16-01
12. Approval of LCCMR Grant Agreement
13. Developer Escrow Reductions
14. Receive Assessment Roll and Order Public Hearing - Hanson/Oakridge Reconstruction, CP 14-01
15. Payment #5 (Final) - 2014 Trail Rehabilitation and Construction Project, CP 14-05
16. Award of Quote - Shamrock Park Replacement Fencing

ROLL CALL: Ayes - 5 Nays - 0

PUBLIC HEARING - VACATION/FINAL PLAT - ZAWADSKI HOMES, 244 GRAND AVENUE

Presentation by City Planner Kathleen Castle

The vacation request is for a portion of Centre Street and the public alleyway lying between Grand Avenue and North Owasso Boulevard. This application was denied due to a remnant of alleyway that would have been left. Those issues have now been resolved. The vacation is being joined by three adjoining property owners. Private access easements are being provided to retain access for the properties at 271 and 277 North Owasso Boulevard.

The second request is approval of a Final Plat to divide the property to create 10 lots for single-family residential use. The Final Plat includes an outlot over the north half of the alleyway to be conveyed to these property owners. The outlot will be conveyed to adjoining property owners for access.

The City is planning an extension of Grand Avenue to the west in 2016 to provide access to Lots 1-5. Until then, a temporary access road will be put in. The Site Development Agreement details storm water management, tree replacement and access.

Notices were mailed to impacted property owners and published in the City's legal newspaper. Comments received relate to an evacuation route for the neighborhood in an emergency. Staff

finds that the access concerns have been addressed and recommends approval of the vacation and Final Plat, including the Development Agreement with the conditions listed in the staff report.

City Attorney Joe Kelly stated that proper notice has been given for the public hearing.

Mayor Martin opened the public hearing.

Mr. Steve Galatowitsch, 224 Grand Avenue, stated that he contacted the Sheriff's Department and Fire Department to inquire if there is an emergency plan of evacuation for the neighborhood, as there is only one access to Soo Street. He learned that there is no written plan. He then contacted County Emergency Management and Homeland Security from whom he received a public version of an emergency plan. He referred to Appendix H on page 529 that identifies Ramsey County as a High Hazardous Flammable Train area. This is due to the oil being shipped from North Dakota. On page 536, there is a map showing incidents that have occurred. On page 534, it states that in May 2015, the U.S. Department of Transportation issued new rules regarding braking systems and tank car standards. These rules will be phased in over 10 years. On page 537, *Assumptions*, under No. 1 it states that the first priority is to assure the public safety of the public and responders. There are over 50 homes in the area. The heat from any such fire would delay adequate response. The houses are on a hill so any leak would travel down through the neighborhood. Appendix D references predesignated evacuation routes and directions. He asked if the bike path will be blocked from vehicle traffic.

Mayor Martin noted that High Hazard trains referenced on page 529 are those traveling through Ramsey County, not just Soo Street. **Mr. Galatowitsch** responded that on page 531 the Soo Street line is shown.

Mr. Lee Bryngelson stated that the agreement is satisfactory. He expressed concern about water in his basement and that he wants to be sure that water issues are addressed.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to close the public hearing at 7:27.

VOTE: Ayes - 5 Nays - 0

Councilmember Quigley stated that the City has an emergency plan and asked what steps would be needed to address an evacuation route.

Public Works Director Maloney stated that there is a proposed trail connection to the boat launch/parking lot at the southeast end of Lake Wabasso. A paved access to that area would likely cost between \$55,000 and \$60,000 to construct. Mr. Schwerm added that the Public Works Superintendent is the City Emergency Manager. He regularly attends meetings with County emergency personnel. Several firefighters went to Colorado to train in the event of a rail emergency. The proposed Grand Avenue project next year will connect to Janice, which will provide additional access routes in the neighborhood. If the Council would like street connections to North Owasso Boulevard and Soo Street, then the vacation should not go forward because that would be the only practical location for a roadway.

Mayor Martin stated that the houses to the north on Cottage do not have access to Centre Street and are landlocked. This vacation does not change the nature of the situation in that neighborhood.

Councilmember Wickstrom stated that she would support a trail to the park at Lake Wabasso for an emergency exit. The trail would be drivable, and the trails are plowed. She would like to see that included in the street project next year. She noted that the vacation creates a private drive with an easement agreement. At this time, neighbors get along but she would not want to create a problem for the future. Ms. Castle explained that part of Centre Street would be conveyed to Zawadski Homes; another part would be conveyed to the properties at 271 and 277 North Owasso Boulevard. Zawadski Homes will convey their portion to 271 and 277 North Owasso Boulevard. Between those two property owners there will be an access easement conveyed and recorded at Ramsey County to assure future access.

City Attorney Kelly stated that Easement Agreement will be between two property owners at 271 and 277 North Owasso Boulevard. The agreement should be drafted in such a way that it benefits the property and runs with the land and as recorded. Mr. Schwerm added that the property owners are part of the vacation request.

Councilmember Johnson stated that she supports the vacation and believes there are plenty of local and state resources should any emergency occur before the street project is finished in 2016.

Mayor Martin responded that the Council supports looking at the issue and planning an emergency route from the neighborhood at the time of the road improvements for Lake Wabasso East.

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson to adopt Resolution 15-60, approving the Vacation request, submitted by the Zawadski Homes, et al, vacating the interest of the public in certain public right-of-way abutting 244 and 236 Grand Avenue, 271 and 277 North Owasso Boulevard, and adjacent vacant land, subject to the following:

1. Approval of the Final Plat, Owasso Beach, by the City Council.
2. Executed conveyances shall be prepared by Zawadski Homes for Outlot A, and by the owner of 271 No. Owasso Boulevard for an access easement prior to the City recording Resolution 15-60.
3. Resolution 15-60 approving the vacation request shall be recorded with Ramsey County prior to the City endorsing the final plat.

This approval is based on the following finding:

1. The right-of-way proposed for vacation no longer serves the needs of the public.

ROLL CALL: Ayes: Johnson, Quigley, Springhorn, Wickstrom, Martin
 Nays: None

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to approve the Final Plat application submitted by Zawadski Homes, Inc., to subdivide the property at 244 Grand Avenue and adjacent vacant land, and authorize execution of the Site Development Agreement, subject to the following:

1. A public use dedication fee shall be submitted as required by ordinance. Credit shall be given for the existing dwelling.
2. The Applicant shall obtain permits from Ramsey Washington Metro Watershed District, and other agencies as needed prior to the City's issuance of a grading permit or building permit.
3. Municipal water and sewer shall be provided to all lots.
4. A Tree Preservation and Replanting Plan shall be submitted for review and approval by the City Planner. Replacement trees shall be planted in accordance with the City's Woodlands and Vegetation Ordinance.
5. Grading, Drainage and Erosion Control Plans shall be submitted with each building permit application.
6. Final site grading and utility plans are subject to review and approval by the City Engineer.
7. Title to Outlot A shall be conveyed to the property owners of 271 and 277 North Owasso Boulevard.
8. The development of this subdivision shall comply with the comments of the Lake Johanna Fire Department dated March 19, 2015. If construction on Lots 1 thru 5 is proposed prior to the completion of the City street improvements, the Developer shall submit access and fire hydrant plans for those lots that comply with the requirements of the Lake Johanna Fire Department.
9. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project.
10. Subject to adoption of Resolution 15-60 by the City Council, vacating certain street right-of-way, accruing as shown on the final plat.
11. These approvals expire within one year of the date approved by the City Council unless the plat of Owasso Beach has been recorded with Ramsey County.

This approval is based on the following findings:

1. The subdivision is consistent with the policies of the Comprehensive Plan.
2. The subdivision will not conflict with or impede the planned use of adjoining property.
3. The proposed plat complies with the subdivision standards.
4. The Final Plat is consistent with the Preliminary Plat approval.

ROLL CALL: Ayes: Quigley, Springhorn, Wickstrom, Johnson, Martin
 Nays: None

GENERAL BUSINESS**AUTHORIZING ISSUANCE AWARDING SALE PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$10,000,000 GENERAL OBLIGATION BONDS, SERIES 2015A****Presentation by Finance Director Fred Espe**

The \$10 million General Obligation Bonds are broken down into four components:

General Obligation Improvement Bonds	\$ 900,000
General Obligation Water Revenue Bonds	\$7,155,000
General Obligation Sewer Revenue Bonds	\$1,675,000
General Obligation Surface Water Revenue Bonds	\$ 870,000

TOTAL:	\$10,000,000
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The majority of the bonds are water revenue bonds that relate to the Water Treatment Plant and also infrastructure related to street reconstruction and the Lexington Avenue Watermain plus a SCADA System Upgrade. The water revenue bonds will be repaid by revenue generated in the Water Fund.

The improvement bonds are for the Hanson/Oakridge/Nottingham Street Reconstruction and the Turtle Lane/Schifsky Road reconstruction. Improvement bonds will be repaid through special assessments by benefitting properties.

The Sewer Revenue Bonds are for various sewer infrastructure projects and will be repaid by revenue generated within the Sewer Fund.

Surface Water Revenue Bonds are for infrastructure for Hanson/Oakridge/Nottingham street reconstruction, Turtle Lane/Schifsky street reconstruction and Lexington Avenue reconstruction. Bonds will be repaid by revenue generated in the Surface Water Fund.

On July 13, 2015, the City Council authorized the sale of General Obligation Improvement Bonds, series 2015A. On August 5, 2015, staff participated in a rating conference with Standard & Poor's. The City's rating remains at AAA, the highest rating possible. This rating is based on the findings that the City has: 1) a very strong economy; 2) very strong management; 3) very strong budgetary performance; 4) very strong budgetary flexibility; 5) very strong liquidity; 6) adequate debt and contingent liability position; and 7) a strong institutional framework score.

Seven competitive bids were received on August 17, 2015 by Springsted. The low bid is from FTN Financial Capital Markets at an interest rate of 2.4698%, which is below the estimated rate of 2.7605%.

Staff is recommending awarding the bid to FTN Financial Capital Markets. Closing is scheduled for September 17, 2015.

Mr. Espe introduced Ms. Terry Heaton from Springsted to answer any questions.

Mayor Martin asked if the difference in interest rate is a significant difference. Ms. Heaton stated that the City received a premium bid that provides some cash. The amount between the premium and bond issue must be under \$10 million. The City will receive the same amount of money, but the bond issue awarded at this meeting is in the amount of \$9,690,000 because more cash was paid up front.

On this bond issue, the difference between the estimated 2.7605% interest rate and the interest rate received of 2.4698% amounts to approximately \$300,000.

Mayor Martin asked the difference between Standard & Poor's "strong" rating and "adequate" rating. Ms. Heaton explained that a grid is used to look at total debt to total expenditures. There are larger payments that are paying off retiring bonds. That pushed the City into the "adequate" category. The most important measure is if the City has the money to make all the payments.

Mayor Martin explained that the Water Treatment Plant is the biggest infrastructure project ever undertaken by the City, which is the reason for issuing bonds. The Water Treatment Plant will benefit everyone by removing iron and manganese from the water.

Councilmember Wickstrom commended Mr. Espe and his department for the continued excellent work and preserving the AAA bond rating with the change in staff during the last year and a half.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Johnson to adopt proposed resolution #15-69 authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$10,000,000 general obligation bonds, Series 2015A.

ROLL CALL: Ayes: Springhorn, Wickstrom, Johnson, Quigley, Martin
Nays: None

PUD CONCEPT STAGE - ELEVEGE DEVELOPMENT GROUP, 155-173 COUNTY ROAD E, 185 COUNTY ROAD E, 3500 RUSTIC PLACE, 3521 RICE STREET

Presentation by City Planner Kathleen Castle

Elevage is presenting a Concept Stage PUD to redevelop the subject properties with mixed use residential and commercial development. The property is north of I-694 and west of Rice Street; it consists of 4.14 acres with frontage on Rice Street, Rustic Place and County Road E. Existing improvements include three single-family homes and a commercial shopping center of 34,887 square feet. Adjacent land uses include low density residential, commercial and commercial development in the City of Vadnais Heights. The commercial shopping center is zoned C2, which allows restaurants, fuel stations, banks, liquor stores, hardware stores and general retail.

The proposed project is to redevelop the four properties with a high density market rate apartment building with 100 units. The building is L-shaped running along the north and west

side of the property with five stories on the west leg and four stories on the north leg. A restaurant of 6,576 square feet is located in the northeast corner and a small retail building of 1,868 square feet on the corner of Rice Street and County Road E. Access is being considered off Rice Street and County Road E. The applicant is seeking flexibility on requirements relating to setbacks, height, and parking lot design.

The existing land use designation is C, Commercial and RL, Low density residential. The applicant seeks to rezone the site to MU, Mixed Use, which requires a Comprehensive Plan Amendment. The property, with the exception of 3521 Rice Street, is within Policy Development Area (PDA) #18. PDA's identify underutilized sites in the City and establishes policies and goals for that site. The commercial parcel is zoned C, Commercial and O, Office. This is also Targeted Redevelopment Area #2, which recognizes adjacent low density residential and the need for redevelopment to have a low impact on that neighborhood.

The City's Highway Corridor Transition Study identifies this property for potential expansion that would include high density residential and mixed use. The Economic Development Authority (EDA) lists this property in its 2015/2016 Work Plan for redevelopment and notes the need to address infrastructure for the new interchange. Mixed Use allows up to 45 units per acre. The approximate density proposed is 41 units per acre. Mixed use with high density residential and commercial may be compatible if there are design strategies to minimize impact to adjacent residential properties. This means adequate structure setbacks, a buffer and attention to the height of any planned building.

Staff finds that the proposed high density apartment building would be best located on the western portion of the site due to site characteristics, proximity to the transportation corridor and the low-density residential area to the north. A five-story building would exceed the City's limit of 35 feet and would have a visual impact on the residential neighborhood to the north. Added height would be allowed with increased setbacks from the property lines. The Lake Johanna Fire Department had no issue with the proposed building height but did comment on requirements for access.

Access is proposed off Rice Street and County Road E. A traffic impact study would be required from both Ramsey County and MnDOT. Surface parking is planned for 162 stalls. Underground parking is planned for the apartment building. There is not enough information at this time to determine if parking requirements are met. A minimum 20-foot setback is required from residential lot lines and the street right-of-way.

Property owners within 350 feet were notified of the proposal. Comments of opposition focus on land use compatibility, density, public safety, traffic, visual impact, architectural design/scale and environmental impacts. The developer held a neighborhood meeting in July. The Planning Commission reviewed this proposal at its July 28, 2015 meeting and heard public testimony. The Commission found that the proposed uses are appropriate with the proximity to arterial roadways but expressed concern about impacts to the residential property to the north. There was also expressed concern about traffic and access to parks, trails and green space.

The Council is asked to review the proposal and identify issues that need to be addressed. Should the application move forward, the following will be required: 1) Comprehensive Plan Amendment; 2) Rezoning; 3) Preliminary/Final Plat; 4) Planned Unit Development - Development and Final Stage reviews.

Mr. Michael Mergens, Co-Owner Elevage Development Group, stated that the Concept Stage PUD is optional to receive public comment and develop a good project. Elevage plans to close on the shopping center property by the end of the month and move forward with development. That parcel is zoned Commercial. Without rezoning, development could have been proposed with allowable uses. However, Elevage desires to build a quality development of Mixed Use. Rather than just rezoning to Mixed Use and proposing allowable businesses, the need for more apartments in Shoreview was recognized. The building proposed would have a green roof, atrium and top floor with floor-to-ceiling glass, which come at significant cost. Four parcels have been consolidated for the best layout. Design details will be part of the next review. What is being looked for is feedback on placement of the proposed components and whether the area planned as a restaurant should be a restaurant or retail.

Planning Commission Chair Steve Solomonson stated that the biggest concern is the intensity of what is proposed--a restaurant with a high density apartment building. There are concerns about the number of people filtering into the neighborhood, height of the buildings and access to green space. The question is how to buffer a five-story building. There was discussion about shifting the apartment building toward County Road E, but public comment expressed concern about creating a cove effect that would be a public safety problem. There is a lot of intensity for the size space with the apartment building, a large shared parking space and restaurant.

Mayor Martin opened the discussion to public comment.

Mr. Dennis Hamilton, 3633 Rustic Place, stated that the neighborhood believes this is a good site for redevelopment. However, the proposed development is too big with no real transition to the neighborhood. At this time, there are 76 landmark trees between the neighborhood and the site that have worked for years as a buffer. Those trees would be removed. Increased setbacks will not allow privacy. If the green space has to be on the roof, the project is too big. Green space needs to be on the ground. Residents would like to see some commercial space in the area with access for pedestrians and bikes. The viability of such a large project is in doubt. A luxury apartment building on this site will not have the amenities of access to parks and trails. Whatever is built will be there for a long time. As a gateway to the City, careful planning is needed. Residents want to see the right size development for the site and provide a good transition to the neighborhood. There is concern about rental and whether such a large building can be successful. A previously built apartment tower is only 20% occupied. The proposal is not close to what it should be but off by a lot.

Mr. Nathan Anderson, 3565 Rustic Place, stated that residents do understand that this site will be redeveloped, but residents feel like bystanders. This is a very complicated problem. He asked the meaning of flexibility under a PUD. He stated that flexibility can be a devastating word in fostering livability for residents. He referred to Highway Corridor Transition study recently contracted by the City to determine best potentials for redevelopment of highway

corridor sites. He noted that the study cautions development of his neighborhood to include consideration of impacts of noise, traffic and speeds may have on homes along the arterial roadways. The study refers to a windshield survey of the community. He asked how a survey of a community can be done by driving down the street of a neighborhood. The study is a blueprint for local government to have a developer come in. The study does not include any assessment of the impact to the neighborhood. There is no input on what will happen to the Rustic Place neighborhood. Mixed Use is proposed next to large (almost estate size) neighborhood lots full of trees. There is not enough room to buffer what is proposed. The study is in direct opposition to Shoreview's Comprehensive Plan and codes. The study does not mean the development should be high density. There needs to be flexibility in interpretation of the study. Continued study is needed of detrimental impacts to the neighborhood.

Mrs. Becky Harshauer, 3562 Rice Street, stated that her zip code is Shoreview, but technically she lives in Vadnais Heights. However, she received a notice and wanted to note that they are being told that an apartment building will have less traffic than retail. Retail would have distributed traffic. Restaurant and apartment traffic would impact the rush hours when there is already a struggle with traffic at that time. More apartment buildings are not needed in Shoreview, not even two stories. Residents would prefer retail because buildings would be one story and there would only be business traffic. Upscale retail such as Kowalski's, women and children's clothing, Boston Market. There is already a restaurant planned at the Rainbow site. Elevage has two business registrations with the Minnesota Department of Commerce. Both businesses are listed at the same address, which is different from the Bloomington address given by Mr. Mergens, which is troubling. In the Stillwater newspaper, it was mentioned that Elevage was fired by the city for missed deadlines. New apartment buildings are required to have a percentage of low income units. Also, there is no access shown to Owasso Beach or Snail Lake Beach. Residents do not want an apartment building.

Mr. Jim Shea, 123 Radisson Road, NE Blaine, stated that he works for Pet Junction, one of the current retail stores in the existing shopping center. He would like to see this pet facility remain. It is upscale and provides training. There are people that come from many towns outside the Twin Cities to train their pets. The business is very lucrative and has been on this site for 20 years. It is important to look at what is good for the economy. He would like to see a restaurant and other retail. There is little in the area with good retail services.

Mayor Martin closed the public comment period at 9:00 p.m.

City Planner Castle responded to the question about flexibility within a PUD. She explained that a PUD is used to encourage creativity and innovation. With redevelopment, it is difficult to conform to Code requirements. The PUD process provides flexibility. In return, the City needs to receive a benefit from the project, such as meeting City goals for economic development or housing, or providing transportation improvements for the community. Those are the types of things staff looks for in a PUD.

Mayor Martin asked about the possibility of moving the east/west wing to the south, which is the shorter of the two segments. Mr. Mergens indicated that location on the map. He further stated that Elevage Development Group is registered with the Secretary of State of Minnesota with a

registered address. The address he provided is the address of his law firm. Elevage was not fired by Stillwater.

Councilmember Johnson asked Mr. Mergens to share some success developments he has been involved with. **Mr. Mergens** stated that he was the lead attorney on a six-story apartment building in downtown Minneapolis that was a \$50+ million project, the lead attorney on a project in Golden Valley and another project in Blaine. He emphasized that the intent of Elevage is to work with the City. Being told the development won't work is not constructive. Factual feedback is needed to refine it. It is not viable to redevelop the entire site with retail. The apartment building is a vital part of making the retail viable.

Mayor Martin asked who the clientele would be for the apartment building. **Mr. Mergens** stated that there are different requirements that can require low income apartments, such as TIF Districts. The proposal is for a market rate apartment building. There will be a variety of incomes. Their market study shows more than a 1000 units needed with incomes over \$40,000 by 2020 in Shoreview. At this time, no such projects are planned.

Councilmember Wickstrom asked the pros and cons of moving one portion of the apartment building to the south. MnDOT mentioned noise and she asked if there would be a noise wall. People on the south end of the apartment building will see the freeway or a noise wall and her concern is if that impacts the desirability of the building. **Mr. Mergens** stated he does not believe the apartments on the south end will impact the desirability of the building. There are those who will like the quick accessibility to the freeway, and there is a dynamic view to downtown St. Paul. Mr. Maloney added that MnDOT is not planning a noise wall on that side of the freeway with the lane addition.

Councilmember Wickstrom stated that the proposed building does not look residential. It has a box look, which is not like other buildings in Shoreview. She asked if more features can be added to the building. **Mr. Mergens** stated that is the type of information he is looking for. The next stage will have such details.

Councilmember Wickstrom expressed other concerns about traffic. She asked the pros and cons of closing off Rustic Place. She asked if more green space can be incorporated. She asked what types of retail would be viable and if retail would be viable on the first floor of the apartment building. **Mr. Mergens** stated that there is more potential for retail on Rice Street, but not in the back of the site on the first floor. There tends to be tension between residents and retailers, and most apartment buildings are not including retail. He further stated that market studies have been done. The apartment building would not be proposed if they did not think there would be close to 100% occupancy.

Councilmember Wickstrom stated that younger people want amenities, but there are not many at this site. **Mr. Mergens** stated that one of the desirable factors is that people want to live in Shoreview. He added that it is not just transient people who move into apartments. Apartment living has become a lifestyle, and many move into apartments with the intent of living in them for a long time.

Councilmember Quigley stated that he sees the main issues as buffering and height. He asked about flipping the building so that one leg is on the south side. The history of small retail at that site has not been successful. Added traffic will be minor to the traffic already there. With good lighting he does not see public safety as an issue. Added buffering would be well received. One difficulty is that there is no playground, but he noted another building at Victoria and County Road E without a playground. It will take flexibility to fit the development well on this site.

Mayor Martin asked about the possibility that the project does not work. **Mr. Mergens** responded that it is important to do all due diligence, rely on expert projections and decide what can be developed to meet needs and projections. With the \$20 million being invested, a lot of time is spent on such studies and making those decisions. There is a risk to any development. Everything he has studied points to Mixed Use for more residents that would support a smaller retail project.

Mayor Martin responded the City's Corridor Study was a followup to a Policy Development Area study that was established before the last Comprehensive Plan. The City has always done long-range planning. This strip mall is a blighted area. Many different types of shops in that strip mall have not succeeded. She agreed with Mr. Shea that Pet Junction is a success, and the City is not rejecting Pet Junction. The owner has put the strip mall up for sale. Her concerns are about green space. The height could be modified by moving it to the south. The current height would need greater setbacks. Trees are important and how trees would be replaced. The apartment building would serve as a bit of a sound barrier to the neighborhood. There are nuisance properties to the west and north. Those problems would not be solved with just a retail development. If this development proceeds, it would solve the problems with some of the nuisance properties. Further, the Corridor Study is an indicator of what could happen but it is not cast in stone.

Councilmember Springhorn also urged finding a place for Pet Junction. He expressed appreciation for all the comments. He does not like to see statements that renters do not care about the land. There are places where there are problems with renters and places where renters are great neighbors. He does not want renters to not be welcomed into Shoreview. If the building is moved south, he suggested trying to fit in a small playground.

Councilmember Johnson agreed with Councilmember Springhorn. The community continues to want more restaurants. She asked that component be made a priority. She suggested using crime prevention through environmental design and use that as a tool to see what crime prevention mechanisms can be put in place.

Mayor Martin stated that no decision is made at this meeting. The next review will also be a public hearing. She added that when she built her dream home in 1967, the City rezoned for an area with 986 apartments that completely surrounded her home. What she learned is that setbacks are very important, height is important, green space is enormous and today she can say that it is not a bad thing to have those apartments in the area.

ADJOURNMENT

MOTION: by Councilmember Johnson, seconded by Councilmember Springhorn to adjourn the meeting at 9:35 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 8th DAY OF SEPTEMBER 2015.

Terry Schwerm
City Manager